

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Plan assistance is transferred to States, on the basis of the Gadgil-Mukerjee Formula last approved after modification in December 1991. As per this formula Normal Central Assistance (NCA) for all general States is distributed in the loan-grant ratio of 70:30.

(b) and (c) Rajasthan raised the demand in the last National Development Council meeting in June, 2005 for enhancing the grant component of Central Assistance. However, there is no proposal under the consideration of Planning Commission for modification in the loan-grant pattern for the allocation of Normal Central Assistance.

#### **Cloning of credit cards**

1375. SHRI SANJAY RAUT:  
SHRI S.S. AHLUWALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of complaints of credit cards issued by several banks and international credit cards being cloned and unauthorisedly used by unscrupulous elements;

(b) the details of instances of cloning of credit cards brought to light indicating the nature of probe conducted, if any, by the concerned bank and/or police;

(c) the details of outcome of the completed probe, if any; and

(d) the steps taken by banks to eliminate cloning and to provide their customers clone-proof credit cards and/or ensure appropriate security cover to credit card holders against unauthorised use of the facility by means of such unscrupulous technological innovations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. A few instances of frauds by skimming of credit cards have been reported to RBI, whereby the miscreants copied the data from the magnetic stripe of customers' genuine card and misused the same through a duplicate card.

(d) RBI has issued a circular to all commercial banks on 26th June, 2006 listing out various measures that could be initiated by the banks

including measures to educate customers through hand-outs, e-mails, display at ATM terminals, websites, etc. and operational/security measures to be taken by the banks to prevent fraudulent withdrawal from ATMs and Misuse of credit/debit cards. These measures, *inter-alia*, include:—

- \* Customers should protect their ATM Personal Identification Number (PIN), periodically verify the transaction history to ensure its correctness, immediate inform to the bank if the ATM/Credit card is lost or stolen, etc.
- \* Banks should conduct regular inspection of ATM machines and ensure that cash is loaded in the machines in the presence of bank officials, conduct random checks for identifying any signs of tempering of fixtures attached to ATMs, investigate customer complaints quickly to determine if ATM was misused, evaluate the latest security features like anti-skimming features offered by ATM vendors and implement the important features based on the perceived risks, etc.

#### **Losses suffered by Co-operative Banks**

1376. SHRI EKNATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that even after making huge provisions, the accumulated losses of 55 scheduled co-operative banks have shot up to Rs. 1,598 crores for the year 2005-06 from Rs. 468 crore in the year 2004-05; and

(b) if so, the action proposed thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Reserve Bank of India has reported the accumulated losses of Scheduled Urban Cooperative Banks (UCBs) as Rs. 468 crore as on 31.03.2005 and Rs.1598 crore as on 3.03.2006. The reported data were based on figures collected from 53 reporting banks in the year 2004-05 and 52 reporting banks in the year 2005-06 out of the 55 scheduled UCBs then functioning. After including the audited data of Madhavpura Mercantile Co-operative Bank Ltd., Ahmedabad in August 2006, the position of accumulated losses of the reporting scheduled UCBs